

(1) Has modified the boundaries of the area;

(2) Has failed to make progress in achieving the benchmarks set forth in the strategic plan; or

(3) Has not complied substantially with the strategic plan.

(b) *Letter of warning.* Before revoking the designation of an urban area as an Empowerment Zone or Enterprise Community, the Secretary will issue a letter of warning to the nominating State(s) and local government(s):

(1) Advising that the Secretary has determined that the nominating local government(s) and/or State(s) has:

(i) Modified the boundaries of the area; or

(ii) Is not complying substantially with, or has failed to make progress in achieving the benchmarks set forth in the strategic plan prepared pursuant to § 597.200(c); and

(2) Requesting a reply from all involved parties within 90 days of the receipt of this letter of warning.

(c) *Notice of revocation.* After allowing 90 days from the date of receipt of the letter of warning for response, and after making a determination pursuant to paragraph (a) of this section, the Secretary may issue a final notice of revocation of the designation of the urban area as an Empowerment Zone or Enterprise Community.

(d) *Notice to affected Federal agencies.* HUD will notify all affected Federal agencies providing assistance in an urban Empowerment Zone or Enterprise Community of its determination to revoke any designation pursuant to this section or to modify a designation pursuant to § 597.402(b).

Subpart F—Special Rules

§ 597.500 Indian Reservations.

No urban Empowerment Zone or Enterprise Community may include any area within an Indian reservation.

§ 597.501 Governments.

If more than one State or local government seeks to nominate an urban area under this part, any reference to or requirement of this part shall apply to all such governments.

§ 597.502 Nominations by economic development corporations or the District of Columbia.

Any urban area nominated by an Economic Development Corporation chartered by the State in which it is located or by the District of Columbia shall be treated as nominated by a State and local government.

§ 597.503 Use of census data.

Population and poverty rate data shall be determined by the most recent decennial census data available.

PART 598—URBAN EMPOWERMENT ZONES: ROUND TWO AND THREE DESIGNATIONS

Subpart A—General Provisions

Sec.

598.1 Applicability and scope.

598.2 Objective and purpose.

598.3 Definitions.

598.4 Period of designation.

Subpart B—Eligibility Requirements

598.100 Eligibility requirements.

598.105 Data used for eligibility determinations.

598.110 Tests of pervasive poverty, unemployment and general distress.

598.115 Poverty rate.

Subpart C—Nomination Procedure

598.200 Who nominates an area for designation?

598.205 What are the requirements for nomination?

598.210 What certifications must governments make?

598.215 What are the purpose and content of the strategic plan?

Subpart D—Designation Process

598.300 Procedure for submitting a nomination.

598.305 Designation factors.

Subpart E—Post-Designation Requirements

598.400 HUD grants for planning activities.

598.405 Environmental review.

598.408 Lead-based paint requirements.

598.410 Public access to materials and proceedings.

598.415 Reporting.

598.420 Periodic progress determinations.

598.425 Validation of designation.

598.430 Revocation of designation.